
SENATE BILL 6765

State of Washington

60th Legislature

2008 Regular Session

By Senators Parlette and Keiser

Read first time 01/23/08. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the Washington state health insurance pool;
2 amending RCW 48.41.100; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.41.100 and 2007 c 259 s 30 are each amended to read
5 as follows:

6 (1) The following persons who are residents of this state are
7 eligible for pool coverage:

8 (a) Any person who provides evidence of a carrier's decision not to
9 accept him or her for enrollment in an individual health benefit plan
10 as defined in RCW 48.43.005 based upon, and within ninety days of the
11 receipt of, the results of the standard health questionnaire designated
12 by the board and administered by health carriers under RCW 48.43.018;

13 (b) Any person who continues to be eligible for pool coverage based
14 upon the results of the standard health questionnaire designated by the
15 board and administered by the pool administrator pursuant to subsection
16 (3) of this section;

17 (c) Any person who resides in a county of the state where no
18 carrier or insurer eligible under chapter 48.15 RCW offers to the

1 public an individual health benefit plan other than a catastrophic
2 health plan as defined in RCW 48.43.005 at the time of application to
3 the pool, and who makes direct application to the pool; and

4 (d) Any medicare eligible person upon providing evidence of
5 rejection for medical reasons, a requirement of restrictive riders, an
6 up-rated premium, or a preexisting conditions limitation on a medicare
7 supplemental insurance policy under chapter 48.66 RCW, the effect of
8 which is to substantially reduce coverage from that received by a
9 person considered a standard risk by at least one member within six
10 months of the date of application.

11 (2) The following persons are not eligible for coverage by the
12 pool:

13 (a) Any person having terminated coverage in the pool unless (i)
14 twelve months have lapsed since termination, or (ii) that person can
15 show continuous other coverage which has been involuntarily terminated
16 for any reason other than nonpayment of premiums. However, these
17 exclusions do not apply to eligible individuals as defined in section
18 2741(b) of the federal health insurance portability and accountability
19 act of 1996 (42 U.S.C. Sec. 300gg-41(b));

20 (b) Any person on whose behalf the pool has paid out two million
21 dollars in benefits;

22 (c) Inmates of public institutions and persons (~~whose benefits are~~
23 ~~duplicated under public programs~~) eligible for medical assistance as
24 defined in RCW 74.09.010. However, these exclusions do not apply to
25 eligible individuals as defined in section 2741(b) of the federal
26 health insurance portability and accountability act of 1996 (42 U.S.C.
27 Sec. 300gg-41(b));

28 (d) Any person who resides in a county of the state where any
29 carrier or insurer regulated under chapter 48.15 RCW offers to the
30 public an individual health benefit plan other than a catastrophic
31 health plan as defined in RCW 48.43.005 at the time of application to
32 the pool and who does not qualify for pool coverage based upon the
33 results of the standard health questionnaire, or pursuant to subsection
34 (1)(d) of this section.

35 (3) When a carrier or insurer regulated under chapter 48.15 RCW
36 begins to offer an individual health benefit plan in a county where no
37 carrier had been offering an individual health benefit plan:

1 (a) If the health benefit plan offered is other than a catastrophic
2 health plan as defined in RCW 48.43.005, any person enrolled in a pool
3 plan pursuant to subsection (1)(c) of this section in that county shall
4 no longer be eligible for coverage under that plan pursuant to
5 subsection (1)(c) of this section, but may continue to be eligible for
6 pool coverage based upon the results of the standard health
7 questionnaire designated by the board and administered by the pool
8 administrator. The pool administrator shall offer to administer the
9 questionnaire to each person no longer eligible for coverage under
10 subsection (1)(c) of this section within thirty days of determining
11 that he or she is no longer eligible;

12 (b) Losing eligibility for pool coverage under this subsection (3)
13 does not affect a person's eligibility for pool coverage under
14 subsection (1)(a), (b), or (d) of this section; and

15 (c) The pool administrator shall provide written notice to any
16 person who is no longer eligible for coverage under a pool plan under
17 this subsection (3) within thirty days of the administrator's
18 determination that the person is no longer eligible. The notice shall:
19 (i) Indicate that coverage under the plan will cease ninety days from
20 the date that the notice is dated; (ii) describe any other coverage
21 options, either in or outside of the pool, available to the person;
22 (iii) describe the procedures for the administration of the standard
23 health questionnaire to determine the person's continued eligibility
24 for coverage under subsection (1)(b) of this section; and (iv) describe
25 the enrollment process for the available options outside of the pool.

26 (4) The board shall ensure that an independent analysis of the
27 eligibility standards for the pool coverage is conducted, including
28 examining the eight percent eligibility threshold, eligibility for
29 medicaid enrollees and other publicly sponsored enrollees, and the
30 impacts on the pool and the state budget. The board shall report the
31 findings to the legislature by December 1, 2007.

32 NEW SECTION. **Sec. 2.** The Washington state health insurance pool
33 relies upon enrollee premiums and assessments paid by health insurance
34 carriers for financing, and the number of enrollees supporting the
35 assessment payments has declined as more employers and associations
36 have chosen to self-insure their health care benefits. The office of
37 the insurance commissioner is directed to convene a task force to

1 recommend the best options for equitable, stable, and broad-based
2 funding sources for the Washington state health insurance pool.
3 Participants should include, at a minimum, representatives from
4 insurance carriers, the pool, and the office of financial management.
5 The task force recommendations shall be delivered to the legislature by
6 December 1, 2008.

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